

April, 2003

**WORKING CAPITAL FUND BOARD**  
**MINUTES OF THE MEETING**  
**April 17, 2003**

**1. Introduction**

The Board Chair, Howard Borgstrom, called the meeting to order.

**2. Approval of Minutes August 21 and December 11, 2002 Meetings**

The Board adopted the minutes of August 21 and December 11, 2002 WCF Board meetings without objection.

**3. Competitive Sourcing Studies**

Howard discussed the funding methodology for FY 2003 competitive sourcing studies and the related reduction in Payroll expenses charged to Fund customers in FY 2003.

**4. Payroll Outsourcing – Status Update**

Wendy Miller, Director of the Capital Accounting Center, provided the board with a status update of the payroll outsourcing to DFAS. Her briefing provided updated estimates of \$0.9 million for conversion and \$1.1 million for annual requirements. The Board asked her to clarify budget requirements for a five year period with DFAS in order to avoid significant unknown funding requirements in the out years of the service. They also asked to negotiate a place on the DFAS Board. Wendy was requested to amend the draft agreement to include these two items.

The Fund Manager noted that it would be challenging to prepare FY 2005 estimates given the significant range of uncertainty regarding one-time payroll conversion costs and recurring requirements. He indicated that he would use an annual revenue requirement not larger than the current \$3.1 million, but likely not less than \$2.1 million.

**5. FY 05 Planning**

- a. **Building Occupancy** – The Building Occupancy business proposed adding \$2.2 million in FY 2005 to their budget estimate to account primarily for rental rate increases passed on from GSA. The Board asked the business to evaluate its current capital improvement plan to define options to offset some or all of the increase.
- b. **Telephones** – The Telephone business proposed a \$0.2 million increase to account for contract costs related to the new RSIS contract. This will bring the infrastructure component to \$5.5 million, annually, consistent with the FY 2004 budget assumption. The Board accepted the proposal.

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- c. **Network – DOEnet** – The Network business line managers proposed a \$0.3 million increase for infrastructure based on increased contract charges offset by a \$0.8 million decrease in DOEnet based on cost savings. They also proposed changing the DOEnet allocation method to capacity based charges. The Board was also asked to consider retaining the net \$0.5 million annual cost savings in the business to finance potential future capital requirements. At present, the CMIP program is covering such capital requirements.

The Board requested further review of three items. First, is the relationship between the IT business lines in the Fund and the financial framework for I Manage and EXCITE initiatives, which are outside the fund. Second, the Board asked the business to justify capital improvements allowing for possible funding outside of the fund, for example, upgrades for DOE security. The first two items have a potential for duplication. They also requested that the business analyze the impact on programs before and after the change in DOEnet allocation methodology taking into account that DOEnet has a different allocation than other Network, which is by LAN line.

- d. **CHRIS Quick Hire** – Business line managers proposed to include, without a price increase, the operating costs of QuickHire (about \$140,000/year) within the business line. The Board approved adding the item for budget purposes, but will not allow the costs to be added to the business until the business line officials addresses the Board's concerns at a future Board meeting.
- e. **Online Learning** – Although this business is not seeking pricing changes, the Fund Manager is asking the Board to establish a working group to assist the Office of Training in its efforts to rationalize payment procedures for training. Board members are asked to submit names by April 30, 2003.

## 6. Update Efforts of Working Groups

- a. **Customer Communications** – Bob Emond discussed the efforts of this group including plans to produce a goods and services expo in Forrestal on June 4 and Germantown on June 11. Follow-on activities will be upgrading web pages for ease of customer use and consideration of a customer survey. The Board requested WCF staff training include an emphasis on customer service. (See below)
- b. **Staff Training** – Bob discussed ongoing efforts by the Fund to improve business practices including accrual training and other business training.
- c. **Financial Policy** – Howard discussed issues related to financial policy and the need for addition customer input to this and the other working groups.

## 7. Mid-year Review Board Meeting

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The Board expressed its interest in a May 6 Board meeting to follow-up on the pricing issues that remain unresolved from this meeting.

#### **8. Working Capital Fund Membership**

Howard noted that it is time to consider Board membership appointments. Some Board members indicated that this would also be an opportunity to address the concerns of the Deputy Secretary and the Management Council regarding performance management related to internal DOE service organizations.

#### **9. The Board voted to Adjourn**

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### **Representing the Board**

ME    Howard Borgstrom  
FE    Chuck Roy  
EI    Steve Durbin  
SO    Rosalie Jordan  
NA    Tony Lane  
PI    Jon Mathis

CIO   Gordon Errington  
EM   Barbara Male  
NE   Lang Soo Hoo  
OA   Lesley Gasperow  
SC   Myrna Vallette  
EE   Steven Lee

### **ATTENDEES:**

Ann Warnick - IM  
Coreen Leonard - IM  
Laura Brown – PA/CI  
Barry Schrum – IG  
Maria Northington – PA/CI  
Robert Porter - PML  
Dick Levan - RW  
Richard Otis – IM  
Penny Gardner - IM  
Laura Rudin – IM  
Tim Fox – SO  
Diane Friis – SO  
Deborah Cavanagh - HG

### **ME**

Wendy Miller  
Tanya Lockett  
Willie Mae Ingram  
Tony Nellums  
Kathryn Schanck  
Bob Emond  
Dianne Cane  
Mary Anderson  
Jayne Faith  
Shirley Woodruff  
Michael Shincovich